<center>REMARKS</center>

Claims 1-7 and 17-20 are pending in the present application. Applicants respectfully request reconsideration of the present application in view of the remarks presented herein.

<center>35 U.S.C. § 103</center>

Claims 1, 3-5, 7, 17, 18 and 20 stand rejected as allegedly unpatentable over Spies et al. (US 6,055,314, "Spies") in view of Deo et al. (US 5,721,781, "Deo"). Applicants have carefully reviewed the cited references and respectfully assert that embodiments of the present invention as recited in Claims 1, 3-5, 7, 17, 18 and 20 are patentable over Spies in view of Deo.

With respect to Claim 1, Applicants respectfully assert that Spies in view of Deo fails to teach or fairly suggest the limitation "at said first logical circuit, decrypting said encrypted signal using said first decryption key" as recited by Claim 1.

In contrast, Spies teaches, "[t]he view computing unit 60 is not permitted, however, to read the decryption capabilities" (column 9, lines 25-26, emphasis added) and "the individual packet keys are never made available to the viewer computing unit..." (column 10, lines 46-47, emphasis added). Thus, in

accordance with the teaching of Spies, the recited "first logical unit" does not decrypt the accessed encrypted signal, and further does not decrypt the accessed encrypted signal using the recited "first decryption key."

In teaching benefits of keeping decryption capabilities and packet keys solely within the IC card, Spies actually teaches away from embodiments of the present invention that recite transferring a decryption key to a decoding unit.

While the proposed modification of Spies in view of Doe is alleged to teach encryption and decryption of the recited first decryption key, Applicants respectfully assert that such teaching, even if present, does not remedy this deficiency of Spies, nor does the rejection allege that it does.

For these reasons, Applicants respectfully assert that Claim 1 overcomes the rejections of record, and respectfully solicit allowance of these Claims.

Applicants respectfully assert that Claims 2-7 overcome the rejections of record by virtue of their dependency, and respectfully solicit allowance of these Claims.

In addition with respect to Claim 7, Applicants respectfully assert that Spies in view of Deo fails to teach or fairly suggest the limitation "wherein said

digital signal is substantially compliant with the Motion Pictures Experts Group (MPEG) format" as recited by Claim 7.

While Spies may teach the "video content can be TV broadcasts" as stated in the rejection, Applicants respectfully assert that the recited signal is not limited to "TV broadcasts" or even to video. For example, it is well known that compact disc (CD) audio is digital; however, it is generally not encoded in MPEG.

Moreover, the cited references do not teach or fairly suggest MPEG compliant signals. Both references are completely silent as to MPEG. The Examiner is invited to introduce art that teaches MPEG or to withdraw the rejection.

For these additional reasons, Applicants respectfully assert that Claim 7 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

With respect to Claim 17, Applicants respectfully assert that Claim 17 overcomes the rejections of record for at least the rationale previously presented with respect to Claim 1, and respectfully solicit allowance of this Claim.

Applicants respectfully assert that Claims 18-20 overcome the rejections of record by virtue of their dependency, and respectfully solicit allowance of these Claims.

Claim 2 stands rejected as allegedly unpatentable over Spies et al. (US 6,055,314, "Spies") in view of Deo et al. (US 5,721,781, "Deo") and further in view of Schneier (Applied Cryptography, 1996, John Wiley & Sons, pp 513-514, "Schneier"). Applicants have carefully reviewed the cited references and respectfully assert that embodiments of the present invention as recited in Claim 2 are patentable over Spies in view of Deo and further in view of Schneier.

Applicants respectfully assert that Claim 2 overcomes the rejections of record by virtue of its dependency, and respectfully solicit allowance of these Claims.

Further with respect to Claim 2, Applicants respectfully assert that Spies actually <u>teaches away</u> from embodiments of the present invention that recite the limitation of "generating said public encryption key using the technique of Diffie-Hellman Key Exchange" as recited by Claim 2.

In contrast, Spies teaches, "[t]he view computing unit 60 is <u>not</u> permitted, however, to read the decryption capabilities" (column 9, lines25-26, emphasis added) and "the individual packet keys are <u>never</u> made available to the viewer computing unit…" (column 10, lines 46-47, emphasis added). Thus, in accordance with the teaching of Spies, the recited "first logical unit" does not decrypt the accessed encrypted signal, and further does not decrypt the accessed encrypted signal using the recited "first decryption key."

Thus, Spies <u>teaches</u> <u>away</u> from key exchange, whether utilizing the recited technique or not.

Doe fails to remedy this deficiency of Spies. Doe teaches "authentication" of a smart card and an ATM based upon the well known technique of certificate exchange. Accordingly, Doe depends upon a trusted third party, a "certifying authority" (column 7, lines 45-60). Further, Doe teaches transfer of keys via "certificates", e.g., "the smart card uses the terminal's public key that it received in the terminal's certificate" (column 7, lines 1-3).

By teaching trust in a third party "certifying authority" and by teaching transfer of keys via certificates, Doe actually <u>teaches</u> <u>away</u> from "generating said public encryption key using the technique of Diffie-Hellman Key Exchange" as recited by Claim 2.

For these further reasons, Applicants respectfully assert that Claim 2 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

Claims 6 and 19 stand rejected as allegedly unpatentable over Spies et al. (US 6,055,314, "Spies") in view of Deo et al. (US 5,721,781, "Deo") and further in view of Yagawa (US 6,751,598, "Yagawa").. Applicants have carefully reviewed the cited references and respectfully assert that embodiments of the present invention as recited in Claims 6 and 19 are patentable over Spies in view of Deo and further in view of Yagawa.

Applicants respectfully assert that Claims 6 and 19 overcome the rejections of record by virtue of their dependency, and respectfully solicit allowance of these Claims.

Further with respect to Claims 6 and 19, the rejection asserts that Yagawa teaches "downloadable updates of the digital <u>content</u>" (emphasis added). Applicants respectfully assert that one of ordinary skill in the art would understand a fundamental difference between digital <u>content</u> and a computer program for decrypting such digital content. For example, signal flow and storage techniques are generally much different for the content as opposed to

programs. Applicants respectfully assert that a teaching of updateable digital content fails to render obvious the limitation of replacing a decryption program as recited by Claims 6 and 19.

For this further reason, Applicants respectfully assert that Claims 6 and 19 overcome the rejections of record, and respectfully solicit allowance of these Claims.

In addition with respect to Claims 6 and 19, Yagawa teaches, an updating program "stored in the read only storage area" (column 2 lines 45-50). By teaching the updating program is stored in read only storage, Yagawa teaches that the updating program is itself not updatable. Consequently, Yagawa actually teaches away from embodiments in accordance with the present invention that recite replacing a decryption program as recited by Claims 6 and 19.

For this additional reason, Applicants respectfully assert that Claims 6 and 19 overcome the rejections of record, and respectfully solicit allowance of these Claims.

Still further with respect to Claim 6, Applicants respectfully assert that Spies in view of Deo and further in view of Yagawa fails to teach or fairly

suggest the limitations of accessing and using a "second decryption key" as part of replacing a computer decryption program, as recited by Claim 6. Applicants respectfully assert that Spies in view of Deo and further in view of Yagawa is silent as to use of the recited "second decryption key" in conjunction with replacing a computer decryption program, as recited by Claim 6.

For this still further reason, Applicants respectfully assert that Claim 6 overcomes the rejections of record, and respectfully solicit allowance of this Claim.

CONCLUSION

Claims 1-7 and 17-20 are pending in the present application. Applicants respectfully request reconsideration of the present application in view remarks presented herein.

The Examiner is invited to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Respectfully submitted,

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